

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 893 - SB 984**

February 10, 2023

**SUMMARY OF BILL:** Extends the *Ground Ambulance Service Provider Assessment Act* to June 30, 2024. Requires the assessment to generate \$20 per taxable transport, or an amount that generates six percent of statewide net operating revenues on a per taxable transport basis, whichever amount is less. Establishes that the assessment due from ambulance providers each quarter must equal the established rate multiplied by each provider's total taxable quarterly transports.

**FISCAL IMPACT:**

**Increase State Revenue - \$10,607,000/FY23-24/**

**Ambulance Service Assessment Revenue Fund**

**Increase State Expenditures - \$10,607,000/FY23-24/**

**Ambulance Service Assessment Revenue Fund**

**Increase Federal Expenditures - \$19,985,500/FY23-24/**

**Ambulance Service Assessment Revenue Fund**

**The Governor's FY23-24 proposed budget, on page A-32, includes \$10,655,000 in state funds and \$20,076,600 in federal funds for the Ambulance Service Assessment.**

Assumptions:

- Based on information provided by the Division of TennCare, the proposed legislation would result in a one-time increase of \$10,607,000 to the Ambulance Service Assessment Revenue Fund (ASARF) for FY23-24.
- It is estimated that \$150,000 will be expended for a TennCare administrative position, which will be paid in part by federal matching funds at a rate of 50 percent. The resulting increase in federal funds will be approximately \$75,000 (\$150,000 x 50.0%) with a corresponding increase in state funds of \$75,000.
- It is estimated that \$160,000 will be expended for a grant for the Tennessee Ambulance Service Association (TASA) administrative support, which will be paid in part by federal matching funds at a rate of 50 percent. The resulting increase in federal funds will be approximately \$80,000 (\$160,000 x 50.0%) with a corresponding increase in state funds of \$80,000.

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- It is estimated that \$10,452,000 [ $\$10,607,000 - (\$75,000 + \$80,000)$ ] will be expended at a state rate of 34.515 percent and will receive federal matching funds at a rate of 65.485 percent. The resulting increase in federal funds will be approximately \$19,830,486 [ $(\$10,452,000 / 34.515\%) \times 65.485\%$ ].
- There is not estimated to be a significant increase in state revenue as a result of fines assessed to ambulance service providers.
- Total state expenditures will be \$10,607,000 ( $\$10,452,000 + \$75,000 + \$80,000$ ) in FY23-24.
- Total federal expenditures will be \$19,985,486 ( $\$19,830,486 + \$75,000 + \$80,000$ ) in FY23-24.
- The total increase to the ASARF will be approximately \$30,592,486 ( $\$10,607,000$  state + \$19,985,486 federal) in FY23-24.

## **IMPACT TO COMMERCE:**

**Increase Business Revenue - \$30,282,500/FY23-24**

**Increase Business Expenditures - \$30,282,500/FY23-24**

Assumptions:

- Ambulance providers will incur a one-time increase in business revenue of \$30,282,486 to cover costs of ground ambulance transport occurring in FY23-24.
- Ambulance service providers will incur a corresponding one-time increase in business expenditures of \$30,282,486 in FY23-24.
- The proposed legislation will not increase the number of ambulance service providers, it only extends the Ground Ambulance Service Provider Assessment Act until June 30, 2024. Therefore, any impact to jobs in Tennessee is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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